

# **Internal Audit Update Report**

**30 March 2021**



## Introduction

1. Internal Audit is an independent and objective assurance and consulting function. The shared team undertake reviews over the course of the year that are designed to evaluate and improve the Council's internal control, governance and risk management processes.
2. This report provides Members with an update on internal audit activity, and, crucially, its outcomes, against the Plan that was agreed by Members of this Committee in July 2020.
3. It also seeks to enable the Committee to discharge its responsibility to provide oversight of the Internal Audit Partnership through performance information and to this end, the Key Performance Indicators for Quarter 3 are provided.

## Internal Audit Progress Update

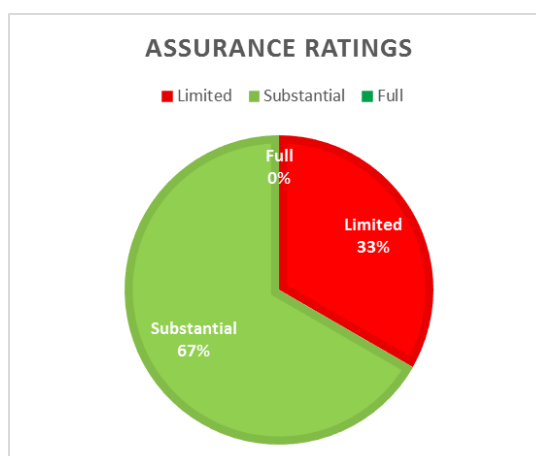
4. Members will recall that the 2020/21 Internal Audit Plan was divided into two; Plan A contains the audits that are priorities for completion and Plan B contains additional audits that will be completed if resources allow.
5. An overall summary of Internal Audit progress against both Plans as at 5 March 2021 is shown below in **Annex A**. We have made progress against Plan A with twelve pieces of work fully completed and a further six in fieldwork or reporting stages. Whilst progress against the Plan is not as advanced as desired, we are nonetheless in a much healthier position than the equivalent period last year, when only three audits had been finalised. We are unlikely to complete the whole Plan by 31 March but I currently envisage that all 'Plan A' work will be complete in time to provide the Annual Opinion in July.
6. Members will be aware from the External Quality Assessment report (presented as a separate agenda item) that the Partnership needs to focus on improving the efficiency of the service and actions are underway in order to address this.

## Internal Audit Outcomes

7. The table below shows all final audit reports issued and the outcomes since the last report to Audit Committee in November 2020. Summaries of these audits can be found in **Annex B**. Definitions of our assurance ratings are provided in **Annex E**.

<b>Audit</b>	<b>Assurance rating</b>
COVID-19 Response & Recovery	Substantial
Fraud Checklist	Advisory
Local Land Charges	Substantial
Budgetary Control & Monitoring	Substantial
Planning Enforcement	Substantial
Cyber Security	Limited
Health and Safety Checklist	Advisory
Contract Management	Advisory
Housing Allocations Policy	Limited
Air Quality	Limited

8. Audit activity since the last report to Members has included work on key areas within the Council, at both strategic and service-level, with a mixed set of results. Four of the audits received 'Substantial' assurance, including our piece of work on the Council's response to the pandemic. This was an important area for assurance in the current financial year which concluded that fundamentally the Council delivered a good service to its vulnerable residents despite the challenges involved. Some issues were raised that will be relevant to strengthen any emergency response; these will be followed up as part of the proposed Emergency Planning audit in 2021/22.
9. Three audits received 'Limited' assurance, one of which (Cyber Security) has council-wide implications. Cyber security is a key risk faced by all organisations across all sectors; the risk is inherently high due to the ever-changing landscape and the nature of the impacts that may materialise. The audit raised actions across both technical and policy aspects and all 'High' priority actions are due for implementation by 30 June 2021. The other two 'Limited' assurance audits were both in specific service areas and relevant managers have agreed all recommendations made with appropriate implementation dates.
10. We have also undertaken three advisory pieces of work on core areas that are organisation-wide (Counter Fraud, Health and Safety and Contract Management). Whilst these advisory pieces were not given an assurance rating, we did raise recommendations to strengthen arrangements in all three. Largely, these recommendations concerned the overarching framework in place, including governance and oversight.
11. The counter-fraud piece of work was an assessment against the 2020 Fighting Fraud and Corruption Locally Strategy. The areas of non-compliance raised largely stem from the absence of a comprehensive fraud risk assessment and therefore we cannot be assured that all fraud risks have been identified and that suitable arrangements are in place to proactively manage the significant ones. To rectify this, a risk assessment will be undertaken jointly by Internal Audit and Counter Fraud in the 2021/22 financial year and a fraud response plan will then be developed. The latter will be brought to Audit Committee for approval.
12. We did find throughout many of our audits that there was a lack of quality assurance processes within services which, if they had been in place, would have been likely to identify some of the issues and inconsistencies found during the course of our audits. Such processes do of course need to be proportionate, especially for the size of the organisation, but they are important to drive continual improvement, which will help the Council deliver its strategic objective of offering the best possible service to customers.
13. The chart below shows a breakdown of all audit assurance opinions to date since July 2020, including two audits that were part of the 2019/20 audit plan but delivered in 2020/21. Overall, the majority of audits have received 'Substantial' assurance which indicates that the control framework is generally operating well. However there are pockets of weaknesses where risks are not being mitigated to the desired level.



14. One of the primary functions of Internal Audit is to provide assurance that identified risks are being effectively managed and to this end, the table below also provides links between Internal Audit work and the current [Strategic Risk Register](#). This does not mean that all controls have been covered as part of our audit but simply shows Members where they may be able to gain some assurance over the management of risk through our work. Most risks with no coverage will be covered as part of the proposed 2021/22 Internal Audit Plan.

Corporate Risk Register	Current Risk Rating	Internal Audit Coverage	Assurance Level
SR01 Finance	High	Budgetary Control and Monitoring Fraud Checklist	Substantial Advisory
SR02 Property Investment Strategy	Medium	No coverage	
SR03 Asset management & maintenance	Medium	No coverage	
SR04 Knowledge, capacity & culture	Medium	HR Policy Compliance (2019/20 audit reported in 2020/21)	Substantial
SR05 Technology	Medium	Cyber Security	Limited
SR06 Information & data management	Medium	Cyber Security	Limited
SR07 Legal compliance, governance & ethics	Low	Members' Expenses & Allowances Contract Management	Substantial Advisory
SR08 Capacity of community partners	Low	No coverage	
SR09 Health & Safety (incl. Staff Wellbeing)	Medium	Health and Safety	Advisory
SR10 Emergency planning & severe weather events	Medium	COVID-19 Response & Recovery	Substantial
SR11 Safeguarding	Low	No coverage	
SR12 Covid-19	Medium	COVID-19 Response & Recovery	Substantial
SR13 Temporary Accommodation	Medium	Private Sector Housing Enforcement	Advisory

15. Internal Audit continues to offer advice on an ad-hoc basis. We have reviewed and commented upon proposed Procurement waivers and we are currently involved in the Council's Procurement Task Group. We are also in the process of reviewing and assuring on the Council's MHCLG claim for lost income. There are currently no significant issues to bring to Members' attention.

### **Follow Up**

16. Internal Audit follows up all Critical, High, Medium and Low priority findings as they fall due. **Annex C** shows the results of our follow up process to date this financial year. There are currently no Critical or High priority issues that are due and outstanding. At the time of writing, we are following up actions due in January from two audits with the relevant managers and will be able to provide a verbal update on these at the meeting.

### **Internal Audit Performance**

17. Audit Committee have an important role to play in monitoring the performance of Internal Audit, in order to assure themselves that Internal Audit makes an effective contribution to governance and that reliance can be placed on its conclusions.
18. To facilitate performance monitoring, a suite of Key Performance Indicators (KPIs) exist and the results for Q3 (October –December 2020) are shown at **Annex D**. As reported throughout this year and also as highlighted within the External Quality Assessment report (presented as a separate agenda item), delivering audits to budget and in a timely manner is still a key challenge for the Partnership. At the same time as improving efficiency, we are also striving to improve the quality of audit work to ensure that it is consistently in line with professional standards. All of these facets are critical in order to be able to deliver an effective service and we do have a set of actions in place for all of them, including training, support and performance monitoring.
19. Within the Audit Plan report (a separate agenda item), we present a revised set of KPIs for Members' approval.

### **Conclusion**

20. Internal Audit activity since the last report to Members has included some pieces of work on significant areas such as Covid-19 Response, Cyber Security and Health and Safety. The majority of assurance work continues to be rated 'Substantial' but there are some opportunities for development which, once addressed, will strengthen the Council's ability to achieve its objectives. Officers have put actions in place for key risks highlighted through the audits, which, at the time of fieldwork, were not sufficiently mitigated. We will follow up and report on these actions to Members until they are closed.
21. We would like to thank Officers, Managers and Members for their ongoing support and co-operation to enable us to deliver our work, particularly in the light of the ongoing pandemic.

**Francesca Chivers, CMIIA**

**Audit Manager**

## Annex A – Internal Audit Plan 2020/21

Plan A	Audit Title	Type	Current Status	Assurance Level
1	Annual Governance Statement	Consultancy	Not yet started	
2	Cyber Security	Risk Based	Complete	Limited
3	Covid-19 Response and Recovery	Risk-Based	Complete	Substantial
4	<i>Domestic Waste &amp; Recycling</i>	<i>Risk Based</i>	<i>Cancelled</i>	
5	Contact Centre (Phones)	Risk Based	Planning	
6	Housing Benefits	Risk Based	Fieldwork	
7	Members Expenses & Allowances	Risk Based	Complete	Substantial
8	Contract Management	Consultancy	Complete	Advisory
9	Local Land Charges	Risk Based	Complete	Substantial
10	Recruitment Process	Risk Based	Not yet started	
11	Communication Strategy	Risk Based	Fieldwork	
12	Local Air Quality Management	Risk Based	Complete	Limited
13	Corporate Health and Safety	Consultancy	Complete	Advisory
14	Licensing Administration & Fees	Risk Based	Fieldwork	
15	Housing Allocations Policy	Risk Based	Complete	Limited
16	Disabled Facilities Grants	Risk Based	Not yet started	
17	Tree Maintenance	Risk Based	Fieldwork	
18	Planning Enforcement	Risk Based	Complete	Substantial
19	VAT Management (Make Tax Digital)	Consultancy	Review	
20	Counter Fraud - Assessment against FFCL	Consultancy	Complete	Advisory
21	Private Sector Housing - Enforcement	Consultancy	Complete	Advisory
22	Budget Control and Monitoring	Risk Based	Complete	Substantial
Plan B	Audit Title	Type	Current Status	
23	Bank Reconciliation	Finance	Not yet started	
24	Insurance	Finance	Not yet started	
25	Emergency Planning	Risk Based	Not yet started	
26	Safety Advisory Group	Risk Based	Not yet started	
27	Car Park – Season Tickets	Risk Based	Not yet started	
28	Fleet Management	Risk Based	Fieldwork	
29	Freedom of Information	Risk Based	Not yet started	
30	KCC Funding Agreement – Fraud & Error	Risk Based	Not yet started	
31	Revenues and Benefits Shared Service Performance	Finance	Not yet started	
32	Pre-application Planning Advice	Risk Based	Not yet started	
33	Community Grants	Risk Based	Not yet started	
34	Shared Services - Value for Money Review	Consultancy	Not yet started	
35	Local Strategic Partnership	Consultancy	Not yet started	

## **Annex B - Summaries of Audit Reports issued**

### **COVID-19 Response & Recovery (Substantial Assurance) – Issued in December 2020**

The overarching objective of the audit was to undertake a 'lessons learnt' review of the Council's response to the pandemic. In addition we considered, at a high level, the adequacy of the Council's recovery planning. The findings of this report in relation to the Council's response covered the period March – July 2020 only.

Crucially, the Council achieved its objective of delivering a good service to protect and support vulnerable residents and as a result we have given **Substantial** assurance.

#### **Key Strengths**

- Fundamentally, the response delivered its objectives and provided a good service to vulnerable residents.
- Staff involved in the response were committed to delivering outcomes for customers.
- Structures, including those for governance and decision-making, were robust in design.
- Communications and information flows up and down the organisation were good.
- The Council defined its critical services in discussion with stakeholders and review of data shows that service standards were maintained during the period.

#### **Areas for Development**

- The remit of the District Emergency Centre was not consistently understood, which hampered its effectiveness.
- Decision-making records sometimes lacked clarity around who had made the decision or the rationale for the decision.
- Staffing elements of the response, in particular, welfare, resilience and suitability of individual personalities for particular roles, need further development.
- The Council's relationship with, and responsibilities towards, the volunteers is not structured or defined.
- Recovery plans do not define specific objectives, actions or critical success factors.

The table below summarises the recommendations raised and management's response to these recommendations.

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
<b>Critical</b>	0	NA	NA
<b>High</b>	0	NA	NA
<b>Medium</b>	9	9	0
<b>Low</b>	1	1	0
<b>Advisory</b>	0	NA	NA
<b>Total</b>	<b>10</b>	<b>10</b>	<b>0</b>

### **Fraud Checklist- Shared Review (Advisory) – Issued in December 2020**

The Fighting Fraud & Corruption Locally 2020 (FFCL) publication is the updated counter fraud and corruption strategy for local government. It provides a blueprint for a coordinated response to fraud and corruption perpetrated against local authorities with the support of those at the top. The FFCL strategies and its tools provide ways for local authorities to develop and enhance their counter fraud response by ensuring that it is comprehensive and effective.

The checklist comprises a total of 52 measures. We have assessed 40 out of 52 checks as either compliant or partially compliant. A full breakdown is given in the table below.

The existing counter fraud arrangements at Sevenoaks District Council are heavily focussed on identification of Council Tax and Business Rates with the Counter Fraud team undertaking this work. The Internal Audit team is also involved with counter fraud by undertaking internal investigations.

The main finding is that a fraud risk assessment for the Council needs to be undertaken to identify all key fraud risks. From this risk assessment, a fraud response plan can be developed to address significant areas of potential fraud commensurate with available resources.

Assessment	FFCL Criteria
<b>Compliant</b>	19
<b>Partially Compliant</b>	21
<b>Not Met</b>	12

### **Local Land Charges (Substantial Assurance) – Issued in December 2020**

Our review found that overall, the Council's local land charge register is being effectively administered but controls can be strengthened further.

We confirmed that the Council is compliant with relevant legislation and that requests are being processed within the Government's target time frame of ten working days. Sample testing also confirmed that all fees due had been received before the response had been sent to the client.

The areas that need to be strengthened include management undertaking periodic quality control checks to ensure a search has been conducted correctly as search requests are received, processed



and returned by the same officer. The search results are not checked for accuracy and completeness by management prior to being sent back to the requester.

The accuracy of a local land charges register is dependent on all land charges applicable to a property being linked to the property's unique property reference number (UPRN). We were informed by land charge officers that searches have been delayed on occasions if all land charges relating to a property have not been linked to the UPRN.

We have suggested actions that will strengthen controls in these areas. The table below provides a summary of priority rated actions:

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
<b>Critical</b>	0	NA	NA
<b>High</b>	0	NA	NA
<b>Medium</b>	3	3	0
<b>Low</b>	4	3 agreed, 1 partial	1 partial
<b>Advisory</b>	0	NA	NA
<b>Total</b>	<b>7</b>	6 agreed, 1 partial	1 partial

### **Budgetary Control & Monitoring (Substantial Assurance) – Issued in December 2020**

Our review found that overall, budget monitoring is being effectively administered and managed but there are aspects which could be improved, especially in mechanisms of support for budget holders. Finance intranet pages and guidance do not reflect the current set up and guidance is up to 8 years old. With the Agresso finance system recently being updated, it was an ideal opportunity to update such documentation. It was noted that the Finance Team are currently reviewing and updating the guidance which should be available on the intranet by the end of March 2021.

There is currently no training for budget holders and although the general feedback from some budget holders was that they have very close working relationships with direct support from the Finance Team who they found supportive, a budget holder should be able to be self-sufficient in regards to monitoring their budget position. It was noted that the training programme is currently being developed by the Finance Team to be introduced by the end of March 2021.

Whilst detailed information is provided on actual spend to enable budget monitoring, the Council does not currently use commitment accounting. This is likely to become more important over the next few years as necessary savings will require tighter monitoring and control.

We have suggested actions that will strengthen controls in these areas.

The table below provides a summary of priority rated actions:

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
Critical	0	NA	NA
High	0	NA	NA
Medium	2	2	0
Low	2	1	1
Advisory	0	NA	NA
<b>Total</b>	<b>4</b>	<b>3</b>	<b>1</b>

### Planning Enforcement (Substantial Assurance) – Issued in January 2021

Our review found that overall the Council’s planning enforcement team is providing a good service but needs to address failings in the management, administration and quality assurance of cases to ensure an effective service is continued.

Sample testing identified that lawful decisions are being made on breaches as the level of complaints and appeals is low. The majority of cases are being dealt with in accordance with targets set by the Council, however there is evidence that the management reviews and administration of the Uniform system could be improved.

The table below provides a summary of priority rated actions:

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
Critical	0	0	NA
High	0	0	NA
Medium	3	3	0
Low	2	2	0
Advisory	0	0	NA
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>

### Cyber Security (Limited Assurance) – Issued in February 2021

We conclude based on our audit work that the controls in place to manage and mitigate risks associated with Cyber Security provide ‘Limited’ assurance.

Our review noted that:

- Personal firewalls are enabled on laptops;
- A formal user access control process is used to approve access permissions.
- Remote access to the network via Pulse Secure virtual private network (VPN) requires the use of multi factor authentication;
- Access to potentially malicious websites is blocked; and,

- The F-Secure malware prevention software is updated hourly and is configured to scan files and webpages as they are opened in real-time.

However, we noted that:

- Inbound and outbound external communications are controlled by a firewall provided as part of the Kent Partnership Service Network (KPSN). However, many of the firewall rules appear redundant and two permit network traffic vulnerable to some types of malware;
- Formal change management controls are not in operation for changes to firewall rules, many of which are not documented;
- The firmware to the firewall is out of date;
- Procedures, processes and tools are not in operation to control the secure configuration of laptops and servers. For laptops, unnecessary software/utilities are not disabled or controlled.
- Passwords do not adhere to best practice as they are 7 characters long. Administrator passwords expire every 90 days, rather than the 60 day maximum recommended by the National Cyber Security Centre;
- Accounts granted administration rights to Activity Directory include:
  - 12 that appear to be used for day to day activities such as internet/email – i.e. the same account is used by a user for administration as is used for standard day to day activities;
  - 7 accounts with these rights belong to staff outside of the infrastructure team whose access may compromise segregation of duties;
  - 20 accounts that no longer need these rights, and;
  - We also noted that the Barracuda web filter does not prevent access to the internet to these users.
- Whilst a penetration test was last performed in January 2019, the retest due early 2020 was deferred as a result of Covid19 and has yet to take place.
- Despite ransomware being a risk experienced in several other local authorities, we note that no training upon information security risks takes place and there has been no testing of staff susceptibility to phishing or social engineering attacks; and
- Although SDC has a policy of installing F-Secure malware prevention on all laptops, F-Secure is not configured to detect new devices added to the network that have yet to be protected.

A summary of the actions raised in the review are set out below:

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
<b>Critical</b>	0	NA	NA
<b>High</b>	3	3	0
<b>Medium</b>	7	6	1
<b>Low</b>	0	NA	NA
<b>Advisory</b>	0	NA	NA
<b>Total</b>	<b>10</b>	<b>9</b>	<b>1</b>

### **Health and Safety Checklist (Advisory) – Issued in February 2021**

The HSE publishes a self-assessment checklist for organisations to evaluate health and safety (H&S) arrangements in place. We used this checklist to undertake a health-check style review, by evaluating available policies and procedures, establishing processes, undertaking testing and conducting interviews with a small sample of officers.

Overall the Council fully or partially complies with most aspects of the HSE checklist (65 of 70). A suite of health and safety policies and procedures provides the foundations to underpin the arrangements and practices in place and to ensure health and safety related matters are taken seriously. There are however some areas to address and opportunities to improve.

The Health and Safety Group needs more of a purpose and direction to ensure its effectiveness which could be gained through the development of an improvement plan. It should provide more of an oversight role to ensure health and safety processes and procedures are embedded across the authority. It is also vital to promote engagement across the whole workforce.

The outcomes of the assessment are summarised below:

Assessment	HSE Criteria
Fully Met	28
Compliant – could be improved	24
Partially compliant	13
Not met	5
<b>TOTAL</b>	<b>70</b>

### **Contract Management (Advisory) – Issued in February 2021**

This review was an advisory piece of work which followed on from our advisory review of Procurement in 2019/20. The Council is currently updating its procurement framework using external expertise; we made some recommendations for contract management that will feed into this piece of work to ensure that controls are robust throughout the whole commissioning lifecycle.

### **Housing Allocations Policy (Limited Assurance) – Issued in March 2021**

The Policy provides the framework by which applicants are prioritised for housing and there was evidence that the policy is regularly reviewed. We found that the shortlisting process was working accurately and that there is also a process in place to manage autobids.

However, our testing showed that the policy is inconsistently applied in practice as some cases had been processed without the necessary evidence to support the application.

Testing throughout the audit found that a quality assurance programme would benefit the service offered as, for example, there were several cases noted where communication with the customer

had not been added to the customer file, where actions had not been followed up or where evidence was missing.

We would like to acknowledge that throughout the audit, the service worked swiftly to resolve any issues with individual accounts that we highlighted. However, it will be important that the service undertakes some root cause analysis to understand and address the reasons for these exceptions, to prevent recurrences.

A summary of the actions raised in the review are set out below:

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
Critical	0	NA	NA
High	1	1	0
Medium	3	3	0
Low	2	2	0
Advisory	1	1	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>0</b>

### Local Air Quality Management (Limited Assurance) – Issued March 2021

The day to day responsibilities for the monitoring and reporting of air quality activity has been assigned to the Scientific Officer (SO) who has detailed knowledge and expertise in the subject matter. The Council also benefits from being a member of the London Air Quality Network. This provides guidance and notifications of developments relating to air quality.

The audit did however highlight some significant areas for development. A key concern is that the Council has not yet approved its revised local air quality action plan. It has been over a year since the air quality consultants Bureau Veritas were appointed to review and update the existing plan. It is a legal requirement specified by the Environmental Act 1995 that local authorities have an approved, up to date air quality action plan in place. Unfortunately delays have been created as a result of the Covid-19 pandemic impacting upon the consultant’s ability to undertake the modelling necessary to verify existing AQMAs and a decision for the Action Planning Process to undergo member scrutiny and participation.

In our view, existing air quality performance indicators contain technical data, which is difficult to understand for non-specialists and no supporting explanation is provided. Although the Assistant Environmental Health Manager (Environmental Protection) stated they provided useful information for him he did agree the indicators reported on the Pentana system need to be reviewed.

We also identified that contract management arrangements between the Council and external suppliers of services could be enhanced, as agreements had not been signed, there were some minor errors within the agreements and there was a lack of clarity around how the Council received assurance that services were being delivered to an acceptable standard.

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
<b>Critical</b>	0	0	0
<b>High</b>	1	1	0
<b>Medium</b>	6	6	0
<b>Low</b>	0	0	0
<b>Advisory</b>	0	0	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>0</b>

### Annex C - Audit actions

We raise recommendations to assist management in addressing control failings, or to suggest service improvements following the results of our testing. In accordance with our follow-up process all audit actions are tracked and followed up when they fall due. The table below shows the current actions, and progress against implementation:

Project	Service Manager	Report Issue Date & Rating	Agreed actions in Final Report	Actions due to end Jan 2021	Not yet due	Closed to end Jan 2021	Agreed Deferrals this Qtr.	Total actions complete to date	Total actions outstanding
Animal Welfare (shared review) 2019/20	Annie Sargent	September 2020 <b>Substantial Assurance</b>	3	1 (M)	1 (M), 1 (L)	1 (M)	0	1	2
Members' Expenses & Allowances 2020/21	Martin Goodman	September 2020 <b>Substantial Assurance</b>	1	1 (M)	0	1 (M)	0	1	0
COVID-19 Response & Recovery 2020/21	Richard Morris	December 2020 <b>Substantial Assurance</b>	10	2 (M)	7 (M), 1(L)	0	0	0	10
Local Land Charges 2020/21	Fraser McGregor	December 2020 <b>Substantial Assurance</b>	7	1 (M)	2 (M), 4(L)	0	0	0	7
Budgetary Control & Monitoring 2020/21	Alan Mitchell	December 2020 <b>Substantial Assurance</b>	3	0	3 (M)	0	0	0	3
Planning Enforcement	Evelyn Gilder	January 2021 <b>Substantial Assurance</b>	5	0	3 (M) 2 (L)	0	0	0	5
Cyber Security	Darren Lepper	February 2021 <b>Limited Assurance</b>	9	0	3 (H) 6 (M)	0	0	0	9
Housing Allocations Policy	Rav Kensrey	March 2021 <b>Limited Assurance</b>	6	0	1 (H), 3 (M), 2 (L)	0	0	0	6
Air Quality Management	Nick Chapman	March 2021 <b>Limited Assurance</b>	7	0	1(H), 6 (M)	0	0	0	7
		<b>TOTAL</b>	<b>51</b>	<b>5</b>	<b>46</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>49</b>

## Annex D – Key Performance Indicators for Q3 Progress (October – December)

Finance: Associated performance indicators	Oct - Dec 2020	Internal processes: Associated performance indicators	Q3 (Oct – Dec)
<b>F1: Projects Completed within budgeted days</b> Indicator measures any variance between the days agreed on the final brief vs. the actual time coded on Teammate TEC	3/8 37.5%	<b>I1: Time taken between issue of the DRAFT and FINAL Audit Brief</b> Indicator measures the effectiveness of our project planning and time taken to prepare the work programme	6.5 days (average)
<b>F2: Chargeable days (time)</b> Indicator measures the actual chargeable activities against the assumptions made in the audit plan	Average 73%	<b>I2: Time taken between the issue of the FEEDBACK and DRAFT report</b> Indicator measures the currency of our audit finding and effective engagement between Auditors and Clients	11.8 days (average)
<b>F3: PSIAS conformance</b> Indicator measures effectiveness of the Quality Assurance & Improvement Programme (QIAP) to ensure compliance with professional Standards.	TBC	<b>I3: Time taken between issue of the DRAFT report and FINAL report</b> Indicator measures the effectiveness of our process to finalise audit reports and issue the report in a timely manner	9.1 days (average)
Client satisfaction: Associated performance indicators	Oct - Dec 2020	Learning & Development: Associated performance indicators	Q3 (Oct – Dec)
<b>C1: Overall client satisfaction with the audit experience</b> Indicator measures overall satisfaction levels, taking into account the audit approach, conduct, findings and competence of the auditor	4/4 100%	<b>L1: Audit actions fully implemented within agreed timescales</b> Indicator measures the successful implementation of audit actions and the effectiveness of our follow-up process	SDC 2/2 100%
<b>C2: Respondents agreement with the audit actions</b> Indicator measures Client agreement to the audit findings and resulting actions from our audit work	25.5/27 94%	<b>L2: Training &amp; development days</b> Indicator measures our investment and time spent on training and development against the assumptions made in the audit plan	29.08 Days (of 58 days)



## Annex E - Definitions of Assurance ratings:

OPINION	DEFINITIONS
<p><b>Full Assurance</b></p> <p>(no High or Medium priority actions)</p>	<p>A sound framework of control is in place that meets Council or service objectives. All expected controls tested are in place and are operating effectively.</p> <p>A review with this level of assurance will generally have no actions, or very few <b>LOW</b> priority actions. Agreed actions will be followed up as they fall due.</p>
<p><b>Substantial Assurance</b></p> <p>(no High priority actions)</p>	<p>There is generally a sound framework of control in place that meets Council or service objectives. However, there are isolated weaknesses in design of controls, or inconsistent application of controls, which puts the achievement of a limited number of objectives at risk.</p> <p>A review of this level of assurance may raise a number of <b>MEDIUM</b> priority actions. Agreed actions will be followed up as they fall due.</p>
<p><b>Limited Assurance</b></p>	<p>There are weaknesses within the framework of control or evidence of non-compliance with Council procedures or good practice, which puts the achievement of the Council's or service objectives in many of the areas reviewed at risk.</p> <p>A review with this level of assurance will raise one or more <b>HIGH</b> priority actions. Actions with a high priority should be acted on as soon as practical and will be followed up as soon as they fall due.</p>
<p><b>No Assurance</b></p>	<p>Key controls are absent from the framework of control. There are fundamental weaknesses identified with both the design and operation of the system under review. As a result, it is unlikely that Council or service objectives will be achieved.</p> <p>A review of this level may include a number of <b>HIGH</b> or <b>CRITICAL</b> priority actions. Actions of a critical level will be reported as soon as they are identified and escalated to the relevant Senior Manager. Actions to address the findings will be followed up as soon as they fall due.</p>